



# **Proceedings of the Workshop on Comparative Advantage and Agricultural Trade in Mozambique**

**Polana Hotel  
Maputo  
May 30-31, 2001**

Presented to  
**REDSO/ESA**  
under the Rural and Agricultural Incomes with a Sustainable Environment (RAISE)  
Contract No. PCE-I-00-99-00001-00  
Regional Trade Analytical Agenda  
Implemented by TechnoServe-Kenya and ARD, Inc.

**ARD-RAISE Consortium**  
1601 North Kent St., Suite 800  
Arlington, VA 22209  
Tel: 703-807-5700, Fax: 703-807-0889  
[gkerr@ardinc.com](mailto:gkerr@ardinc.com)

**The ARD-RAISE Consortium:**  
ARD, Inc., Cargill Technical Services,  
Associates for International Resources and Development, CARANA Corporation,  
A.P. Gross & Company, International Programs Consortium, Land O' Lakes,  
Purdue University, and TechnoServe

---

## TABLE OF CONTENTS

<b>TABLE OF CONTENTS.....</b>	<b>i</b>
<b>ACRONYMS AND ABBREVIATIONS .....</b>	<b>ii</b>
<b>CHAPTER 1. INTRODUCTION.....</b>	<b>1</b>
<b>CHAPTER 2. WORKSHOP AGENDA AND PROGRAM .....</b>	<b>3</b>
<b>CHAPTER 3. MAJOR ISSUES RAISED IN THE WORKSHOP .....</b>	<b>5</b>
<b>CHAPTER 4. CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>6</b>
<b>CHAPTER 5. WORKSHOP EXPENDITURES.....</b>	<b>7</b>

---

## ACRONYMS AND ABBREVIATIONS

CEA	Comparative Economic Advantage
NGO	Nongovernmental Organization
REDSO	Regional Economic Development Services Office
SADC	Southern Africa Development Community
USAID	United States Agency for International Development

---

## CHAPTER 1. INTRODUCTION

The Faculty of Agronomy at the Eduardo Mondlane University was among those institutions that carried out the analysis of agricultural economic comparative advantage within the agro-ecological zones of Mozambique from 1995 to 1999. The research project was aimed at conducting a comprehensive analysis of the comparative economic advantage (CEA) of alternative productive uses of agricultural resources in southern Africa and evaluating potential changes in production and trade patterns in response to changes in the economic policy environment of the region.

The specific objectives of the study were to

1. reveal and analyze the changing agricultural comparative advantage in Mozambique and to assess its implications for enhanced trade and food security;
2. analyze the potential of investing in technological, institutional, human resources, and infrastructural development to increase competitiveness;
3. determine the extent of agricultural protection and policy distortions in Mozambique and evaluate the potential for trade between Mozambique and the Southern Africa Development Community (SADC) countries;
4. provide relevant information to researchers and policymakers for a better formulation of food, agriculture, and trade policies; and
5. generate data and useful information for a regional analysis of trade and food security.

To disseminate the results of the study, a workshop was organized in Maputo, in the Polana Hotel, on May 30-31, 2001. A total of 81 people participated in the workshop, including 14 farmers, seven traders, five municipal authorities, 12 academicians, eight researchers, seven politicians, 12 members of government, two journalists, five leaders of nongovernmental organizations (NGOs), two bank managers, four officials of the United States Agency for International Development (USAID), two resource people from the University of Swaziland, and one official from TechnoServe.

The specific objectives of the workshop were to provide information on the findings of the study and to present recommendations on

1. which crops have comparative advantage for agricultural production in Mozambique and trade;
2. the implications of the changing economic environment in southern Africa with respect to agricultural trade and food security in Mozambique;
3. priorities for allocation of resources among several agro-ecological zones; and
4. which sectors of the economy and/or infrastructure the investment should be made to enhance agricultural comparative advantage and food security in Mozambique.

The workshop provided to the agricultural administrators, policymakers, farmers, agricultural business firms, donors, and international organizations and other agricultural stakeholders with useful information on crop budgets, indicators of CEA, and maps of crop production alternatives

in Mozambique upon which the stakeholders can judge current agricultural sector performance and anticipate areas of potential growth for the future develop of agriculture and trade.

The original report of the study entitled *Analysis of Economic Comparative Advantage and Agricultural Trade in Mozambique*, and was translated into Portuguese for better dissemination in Mozambique.

The present report includes the workshop agenda, the major issues discussed in the workshop and the conclusions and recommendations from the workshop.

---

## CHAPTER 2. WORKSHOP AGENDA AND PROGRAM

The workshop agenda included:

- official opening by the rector of the Eduardo Mondlane University, representing the Minister of Agriculture and Rural Development,
- presentation of the workshop objectives by Professor Inácio Calvino Maposse, Dean of the Faculty,
- briefing about the regional project on CEA by a USAID official,
- presentation of the results of research by Professor Firmino G. Mucavele and Professor Gilead Isaac Mlay,
- discussion of the major findings and recommendations by Professor O.T. Edje and Professor Barnabas Dlamini, and
- recommendations on the way forward.

The workshop program was as follows:

---

<b>May 29, 2001</b>	<b>Arrival of Participants</b>
<b>May 30, 2001</b>	<b>Hotel Polana</b>

---

### **Session 1: Analysis of Comparative Advantage and Agricultural Trade in Mozambique - Chair: Professor Inácio C. Maposse,**

---

08:00-09:00:	Registration of Participants;
09:00-09:20:	Introduction–Rector of the Universidade Eduardo Mondlane;
09:20-09:40:	Opening–Hon. Minister of Agriculture and Rural Development;
09:40-09:50:	Objectives of the Workshop –Dean of the Faculdade de Agronomia e Engenharia Florestal, Universidade Eduardo Mondlane;
09:50-10:50:	Presentation of the <i>Analysis of Comparative Advantage and Agricultural Trade in Mozambique</i> - Professor Firmino G. Mucavele, Universidade Eduardo Mondlane;
10:50-11:10:	Break
11:10-11:30:	Comments on the main findings of the study–Dr. Rashid Hassan, University of Pretoria;
11:30-12:30:	Debate on the <i>Analysis of Comparative Advantage and Agricultural Trade in Mozambique</i> .
12:30-14:00:	Lunch

### **Session 2: Comparative Economic Advantage and Cross-Border Trade in SADC. Chair: Professor Firmino G. Mucavele**

---

14:00-14:20:	Presentation of the Cross-Border Trade Studies in Southern and Eastern Africa – REDSO/USAID;
--------------	--

---

14:20-14:40:	Presentation of the <i>Comparative Economic Advantage of Alternative Agricultural Production Options in Swaziland</i> – Professor O. T. Edje, University of Swaziland;
14:40-15:15:	Presentation of <i>The Implications of the Results and the Agricultural Development</i> - Professor Gilead Mlay, Universidade Eduardo Mondlane;
15:15-15:30:	Break
15:30-16:25:	Debate
16:25-16:30:	Closing Remarks

---

### **May 31, 2001–Hotel Polana**

---

#### **Session 3: In the Road of the Agricultural Competitiveness and Trade in Mozambique. Chair: Professor Gilead I. Mlay**

---

09:00-09:45:	Presentation of the article <i>The Foundations of Agricultural Competitiveness in Mozambique</i> ” - Professor Firmino G. Mucavele, Universidade Eduardo Mondlane
09:45-10:30:	Debate
10:30-10:45:	Break
10:45-12:30:	Research Agenda
12:30-14:00:	Lunch

---

#### **Session 4: Research Collaboration – Food Security, Agricultural Trade, Agricultural Policy, Agricultural Development and Agro-Industry Development. Chair: Professor Firmino G. Mucavele**

---

14:00-15:45:	Collaborative Research Proposals
15:45-16:00:	Break
16:00-16:30:	Closing of the workshop – Vice Minister of Agriculture and Rural Development
18:30	Reception - Hotel Polana

---

### **CHAPTER 3.**

#### **MAJOR ISSUES RAISED IN THE WORKSHOP**

The results of the study revealed that the north macro agro-ecological zone has a comparative advantage in producing all the crops considered in this study. However, the north macro agro-ecological zone has weak infrastructure: the roads are bad and the railways are not operational. Therefore, the transaction costs are very high. The CEA does not drive the production to a competitive level.

The maize consumption center is in the south but the comparative advantage to produce maize is located in the north, in the provinces of Cabo Delgado, Niassa, and Nampula. This dilemma needs to be taken into account for the agricultural policy reforms under way in Mozambique.

There is no grading system for the most important agricultural products. Therefore, the national produce most often cannot compete with imports. Prices vary too sharply between one district to another, and between years. They reflect the conditions of transport, lack of infrastructures such as roads, storage facilities, and railways

It was highly discussed and raised the need for appropriate technology development, its adaptation and transfer to the farmers especially for maize and cotton production. These two crops are complimentary in the northern and central agro-ecological zones.

The lack of rural credit and agricultural financing was indicated has one of the major constraints of agriculture in Mozambique. Institutional arrangements including legal systems, weights, grades, measures, and enforceable contracts were suggested as a way to improve agricultural trade.

The contract systems used in agriculture such as concessionary systems are not feasible for development of agricultural marketing



---

## CHAPTER 4. CONCLUSIONS AND RECOMMENDATIONS

The participants of the workshop concluded that the study was very important to reveal the CEA of maize, sorghum, sunflower, beans, cowpeas, potatoes, onions, cotton, and cassava. However, it was recommended that the study should be expanded to include the remaining horticultural crops, livestock and fruit crops.

It was concluded in the workshop that CEA *per se* is not enough to stimulate export of agricultural commodities. The CEA is a necessary condition to achieve competitive agriculture. Rural infrastructure is crucial for improvement of agricultural competitiveness. The maritime transport system needs to be improved to allow the movement of produce from the north to the center and south, and to move industrial goods from the south to the northern part of the country. Infrastructures like roads, telecommunications, warehouses, vehicles, and agro-processing plants must be improved through public financing, and the government should be the leading agent. Organizations such as municipal councils, cooperatives, private firms and individuals should be involved in this effort

It was concluded in the workshop that institutional arrangements such as legal systems, weights, grades, measures, and enforceable contracts should be established to improve agricultural marketing. Liberalized markets require institutional arrangements to provide incentives for producers.

Market liberalization is not enough to stimulate economic integration. There is a need to stimulate productivity and investment in production in order to increase agricultural production and ensure food security at household, national, and regional levels. To achieve this, the main actors are the farmers, and their needs (information, skills, access to credit and inputs, and markets) differ drastically from those of civil servants (research, training, technical information exchange). Regional integration should satisfy these differentiated needs.

## CHAPTER 5. WORKSHOP EXPENDITURES

The expenditures were according to the budget defined for the workshop has shown below:

ITEM	UNITS	QUANTITY	UNIT COST	TOTAL
<b>A. Workshop Materials</b>				
A1. Portuguese Report (translation)	person	1	1,500	1,500.00
A2. Printing/binding	copies	100	5	500.00
A3. Worship stationary				1,000.00
<b>B. Workshop Personnel</b>				
B1. Honorarium - team leader	Gerson	1	2,000	2,000.00
B2. Honorarium - team members	person	2	500	1,000.00
B3. Secretariat	days	45	20	900.00
B4. Resource persons from the region	person x 2 days	1	500	500.00
<b>C. Accomodation, Travel and Transport</b>				
C1. Accomodation and per-diem	persons x 2 days	6	400	2,400.00
C1 Resource Persons	air tickets	1	350	350.00
C3. Local Transport				500.00
<b>D. Workshop Facilities</b>				
D1. Conference room	days	2	500	1,000.00
D2. Services	days	2	100	200.00
<b>E. Meals</b>				
E.1 Workshop lunch	meals x 2 days	120	15	1,800.00
E.2 Workshop tea	tea break x 2 days	120	3	360.00
<b>F. Media and Communication</b>				
F.1 Daily newspapers	Units	10	20	200.00
F.2 Tv and Radio	Units	10	25	250.00
<b>Total</b>				<b>14,460.00</b>